

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY WATER)	
SERVICE DISTRICT FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY FOR THE)	CASE NO. 2000-171
CONSTRUCTION OF SUB-DISTRICT D WATER MAIN)	
EXTENSIONS, FINANCING AND SURCHARGE)	

ORDER

IT IS ORDERED that Northern Kentucky Water Service District ("NKWSD") shall file the original and 5 copies of the following information with the Commission within 14 days of this Order, with a copy to all parties of record. Each copy of the information requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet shall be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention shall be given to copied material to ensure its legibility. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this Order.

1. Provide the resolution of the NKWSD Board of Commissioners that authorized NKWSD's entry into the Cooperation Agreement with Campbell County Fiscal Court.

2. a. Provide the resolution of the NKWSD Board of Commissioners that authorizes the creation of Sub-District D.

b. Provide the minutes of each meeting of the NKWSD Board of Commissioners in which the creation of Sub-District D was discussed.

3. a. Will NKWSD be revising its tariff to include a description of the geographical boundaries of Sub-District D if the proposed surcharge is approved?

b. (1) If yes, provide the proposed revisions.

(2) If no, explain why not.

c. Provide a map of the NKWSD service area that clearly indicates all areas within Sub-District D.

4. a. What is the current source of water for those households located in the proposed Sub-District D?

b. Why is this source of water inadequate or insufficient?

5. How many applicants for service within the proposed Sub-District D, as of the date of this Order, have executed water service agreements with NKWSD?

6. How many households are currently within the proposed Sub-District D and are capable of being served from the proposed water main extension?

7. Refer to Application, Exhibit C, "Revenue Requirements - Subdistrict D Water Project." NKWSD estimates that 194 customers will be required to meet estimated annual debt service for a future bond issuance. When (i.e., number of years after completion of construction) does NKWSD expect Sub-District D to obtain that level of customers?

8. a. (1) Will the bonds issued to refinance the bond anticipation notes of \$949,117 include the financing or refinancing of other NKWSD projects or debts?

(2) If yes, describe the accounting treatment that will be afforded the proposed surcharge to ensure proper separation from other capital projects or debts.

b. When does NKWSD intend to issue bonds to refinance the bond anticipation notes?

c. What are the expected terms of the bond anticipation notes?

d. Provide a schedule that shows the expected principal and interest payments for each year of the 30-year bonds that refinance the bond anticipation notes.

9. How long does NKWSD propose to assess a surcharge on Sub-District D for the proposed water main extension?

10. What objections, if any, does NKWSD have to recalculating the surcharge level annually to reflect the current number of customers that Sub-District D includes and actual debt service costs?

11. a. Why has NKWSD chosen to use a surcharge on the customers within Sub-District D to recover the cost of the proposed water main extension rather than recover these costs through general rates?

b. What effect, if any, would recovery of the cost of the proposed water main extension through general rates have on NKWSD's eligibility for the Community Development Block Grant funds?

c. What would be the effect on NKWSD's general rates if the cost of the proposed water main extension is recovered through general rates? Provide the workpapers, state all assumptions, and show all calculations used to develop your response.

Done at Frankfort, Kentucky, this 5th day of May, 2000.

By the Commission

ATTEST:

Deputy W^m H. Fowler
Executive Director